

# 99TIPS

TO MAXIMISE YOUR  
RENTAL ASSET



# Letting Properties

## Section

# 1



1. **Market your property from the day a tenant gives notice.**
2. If minor works are required, **advertise and arrange viewings anyway**. Most prospective tenants will be ok if the property isn't pristine when they view; as long as it is clearly explained what works will be completed before they move in.
3. However, **always clear and clean the property prior to the first viewing** - everybody hates other people's dirt! Remember **first impressions make a big difference** — so a tidy front garden and the appearance of the front door matter as much as anything.
4. **Incentivise the outgoing tenant** to co-operate with viewings by offering them a payment if the property is let before they leave.
5. Carry out a search within 5 miles of your property, for similar houses available to let, on property portals such as Rightmove, Zoopla and On The Market. You'll be able to get a good idea of the market rent. **Include "Let Agreed" properties in your searches** to see what has been let recently.
6. **Don't pitch the asking rent too high**. Getting an extra £25 per month is nice, but if it takes an extra month to let, it might take you 2 years to make up the rent lost whilst vacant. You can always increase the rent after 12 months if you've initially let it at a competitive rate.
7. If you are willing to take housing benefit claimants, find out what the local Council will pay for a house with the same number of bedrooms. Make sure that you select tenants who are entitled to the **maximum room rate** payable by the Council, and charge your rent no lower than the local housing allowance.
8. Advertise on all the property portals. Consider social media posts and leaflet drops for remote or hard to let properties. Make your advertising impactful and informative. **Good quality photos**, a floor plan and information on proximity to schools, shops, transport links, etc. will help your property stand out.
9. Offer "No Deposit Required". It's an impactful selling point (and a good guarantor is better security than a few weeks deposit anyway).
10. Offer viewings at **weekends and evenings**, when most people are available to view. Create **open viewings** to increase the pool of tenants you have to choose from.
11. Prior to the viewing, take applicant's details, family size, LHA entitlement (if applicable), etc. and rank the applicants.
12. At the viewing, **prioritise** and focus on the top ranking applicants.
13. Always double check you have the right keys before going to a viewing appointment and arrive 30 minutes early. Turn on all the lights and heating, open the windows and clear away any recent post. It is always worth having spare light bulbs, bin bags and air freshener in your car if required.
14. **Consider taking tenants with pets** - additional pet rent can be negotiated to cover additional wear and tear.
15. Hand out application forms to anyone interested. Answer as many questions as you can at the viewing.
16. **Follow up by telephone** within 24 hours on any properties that don't let immediately. If the rental level is an issue, it might be worth a slight reduction, or a move-in incentive, to get a tenant now rather than waiting until the next viewing.
17. Complete a move in inspection with photos when the tenant moves in. This is important when they move out so that you can charge for any damage or repairs that aren't fair wear and tear.
18. Ensure you have an in-date gas certificate before your tenant moves in. It's illegal not to have one!
19. Arrange for an Electrical Installation Condition Report to be in place.
20. Ensure smoke alarm are in place on each habitable floor of the property, in Scotland these must be interlinked.
21. Place a carbon monoxide alarm in any room with combustion appliances (excluding cookers).
22. Check the EPC rating for your property. Properties rated below E cannot be advertised for rent. Visit [www.rla.org.uk/landlord/guides/minimum-energy-efficiency-standards.shtml](http://www.rla.org.uk/landlord/guides/minimum-energy-efficiency-standards.shtml)

# Tenant Selection



## Making sure you cherry pick the best tenant for the property...

- 23. Review your applications to pick out the best and carry out credit checks on them.
- 24. A housing benefit claimant with a poor credit rating can ensure the local authority pays you direct from the start!
- 25. Always get a **home-owning guarantor** for every applicant, ideally a family member who knows them and is happy to vouch for them.
- 26. Never take a tenant without a guarantor unless they pay a deposit. If their own family and friends won't vouch for them, why should you?!
- 27. **Credit check the guarantor.** If their credit score is low, ask the prospective tenant to provide an alternative guarantor.
- 28. Assess how long a tenant is likely to stay by checking **how many times they've moved** in the last 3 years.
- 29. Ask applicants **the reason why they're moving** and take this into account when selecting your tenant.

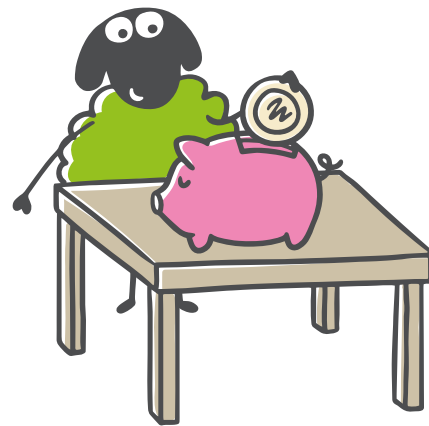


- 30. Assess the best type of tenant for each property. A married couple over 30 years of age with a young family tend to be **more stable**, and so are more likely to stay longer term, than a younger non-married couple or a group of sharers, for example.
- 31. **Visit tenants in their own home** to sign the Tenancy Agreement (and only grant the tenancy if the condition of their home is satisfactory).
- 32. For private tenants, get a **reference from their employer**. This will confirm position, salary and if they know of any impending redundancy.
- 33. Check proof of address and photo ID from both the tenant and guarantor (e.g. passport, utility bill, recent bank statement).
- 34. Take **1 week's rent** to allow the tenant to secure the property.
- 35. Take **the balance of the first month's rent** on or before moving in date.
- 36. **Remember the golden rule - no tenant is better than a bad tenant. Don't gamble!**
- 37. If the property is in England, make sure your tenants are eligible to rent a property in the UK. Visit [www.gov.uk/check-tenant-right-to-rent-documents](http://www.gov.uk/check-tenant-right-to-rent-documents) for further information.

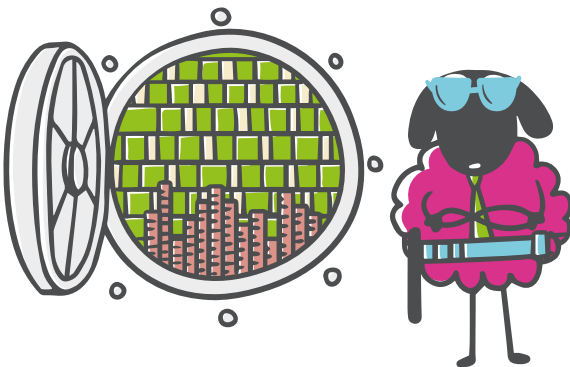
# Deposits & Initial Payments

## Ensuring your tenants deposit is safe and protected...

- 38. By law you have to lodge or register deposits with a recognised body which has a cost in both time and money, so **consider other ways of getting security**.
- 39. A better alternative to a deposit is a **home-owning guarantor** with a good credit record. In the case of a tenant defaulting, the guarantor becomes liable - and a responsible guarantor will pay rather than risk a blemish on their credit record.
- 40. **Always take the first month's rent upfront** - even from housing benefit tenants.
- 41. Anyone who hasn't got access to at least a month's rent is a potential liability. If the tenant can't afford this, a friend or relative won't normally have a problem lending them money - if they are **the type of tenant you want!**



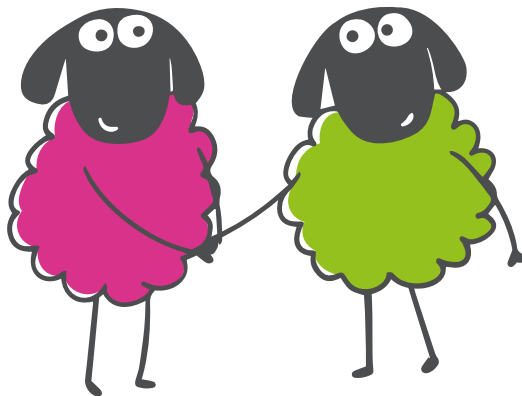
- 42. If you do take a deposit, by law it can be no more than 5 week's rent and **MUST be registered with a recognised deposit scheme**. This rises to 2 months in Scotland and has no maximum in Wales.
- 43. Housing benefit claimants can claim for **two properties concurrently** if they can show that they will otherwise lose the new property. This means that they don't need to stay in their existing property until their notice period is complete as both landlords can receive payment for the same period.



# Working With Your Tenants

## Happy tenants means a happy landlord...

- 44. Your aim should be to give tenants a level of service that ensures they are happy to stay long term. **Long term tenants save you money on voids.**
- 45. On move-in, give them a Tenant Information Pack, with contact details, utility suppliers, maintenance manuals, information on how to report maintenance issues, etc.
- 46. Also give them information on how to **do routine minor repairs themselves**, how to avoid condensation, etc. Encourage them to think of the property as their home and to take responsibility for routine matters themselves.
- 47. Make it clear (and incorporate into the AST) what the **tenant's responsibilities** are. For example, gardens should be their responsibility.
- 48. **Respond to maintenance issues promptly.** Set standards for how quickly different types of repairs will be completed.



- 49. Have a **24 hour emergency service** for major issues - floods/serious water ingress and safety or security issues. Attending to these immediately will often save you money in the long run as well as ensuring a happy tenant.
- 50. Always ensure you have a **mobile phone number and an email address** for all your tenants as there will be times when you need to contact them.
- 51. Tenants are your customers, so **treating them fairly** will increase their loyalty just like in any other business. Loyal tenants are profitable tenants.

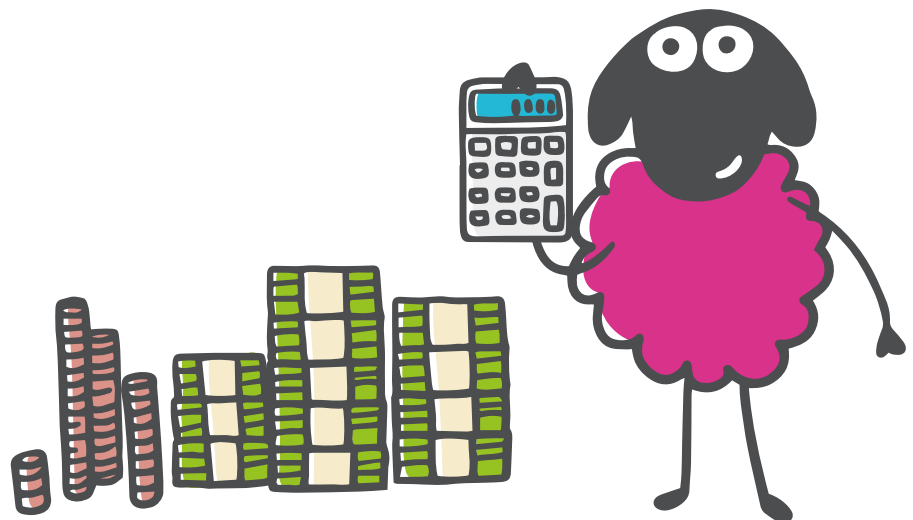
# Payments

## Section



## Successfully collecting rent from your tenants...

52. **Collect rents by direct debit.** This puts you in control. You'll know within 24 hours of any cancelled or missed payments.
53. Allow tenants to pay with the **frequency that suits their circumstances.** Some prefer weekly, some monthly, and some every 28 days. If you fit in with them, they're less likely to miss payments.
54. **Issue Payment Cards** to tenants with a history of late and irregular payments. You might not always be able to change a tenant's attitude to paying, so at least make it easy for them to pay at a local store or post office.
55. When a payment is cancelled or missed, **chase it the same day by phone.** If unable to contact the tenant, leave a voice message, send a text message, an email and a letter. You want them to know it's important!
56. Copy the tenant's guarantor into any communication regarding late payments.
57. When you speak to a tenant about a missed payment, **take a debit or credit card payment.** If they can't afford the full amount, take a part payment and agree a date to collect the rest.
58. Have a system to charge a default fee if payment is late (but waive it if they make the full payment by debit or credit card within 24 hours).
59. Do everything you can to get the missed rent **before the next rent payment is due.** Tenants who miss two payments are more likely to lose motivation to pay at all as they might then consider this a "lost cause".
60. If all else fails, carry out a personal visit to the property in daylight hours, explaining to the tenant that you are there to work out a solution to enable them to remain in their home.
61. If you take housing benefit tenants, only do so if you can get direct payment from the Council from the outset. By following a set procedure and working with the Council, you can ensure this is the case.





## Collecting rent successfully...

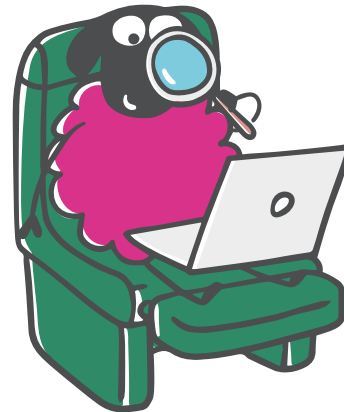
62. Remember, it's hardly ever in your interest to evict tenants who have arrears unless they actually refuse to pay. The cost of voids and works required for a new tenant mean that it's better to work with existing tenants to help them to clear their arrears over a period of time.
63. If any of your tenants fall into arrears, discuss with them an **affordable repayment plan**. They should pay as much as they can reasonably afford.
64. Tell them you'll waive any default fees if they agree to a **payment plan** and stick to it.
65. Asking them to pay an amount they'll struggle to afford is counter-productive as inevitably they'll miss payments.
66. Set up all arrears payment plans on a **separate direct debit**.
67. Ensure tenants are aware that **non-payment will be pursued**, by legal means if necessary, and that if they are unable or unwilling to pay, their guarantor will be liable.
68. If you have housing benefit claimants who are in arrears, and the rent is less than their full entitlement, you can **apply to the council** for them to pay you the difference until the arrears are cleared.
69. If you decide to evict a tenant due to arrears, use Section 21 Notice for Possession rather than a Section 8 if the property is in England. This gives you **certainty of possession** assuming it is properly completed and served. You can claim separately for arrears, post re-possession, through the small claims court.
70. Unless you are qualified or extremely knowledgeable and competent regarding landlord & tenant law, employ a **specialist company or solicitor** to prepare the claim and represent you in court. Many claims produced by Landlords are rejected by the courts, often for minor technicalities.
71. If you do need to evict a tenant for rent arrears, offer them a concession off the outstanding amount **if they move out voluntarily** within a couple of weeks or so. This will save you the time, expense and lost rent which result from what could be a drawn out legal action.



# Rent Reviews

## Analysing the rental market in your area...

- 72. Build the right to have an **annual rent review** into your Tenancy Agreements.
- 73. Aim to **increase all rents annually**. Don't be too cautious - if someone is happy in their home and you're a good landlord, they'll accept that rents will go up just like everything else.
- 74. Analyse the market rent at each review, comparing with the local LHA rate and currently advertised properties. Maximise your rents but be cautious about pushing rents more than 5% above the market average.
- 75. **Write to tenants to give them 6 weeks' notice of any rent increases and advise them that their direct debit payment will be adjusted on the due date, so no action is required by them.**
- 76. If a tenant expresses genuine concern at the increase, **be prepared to negotiate.**



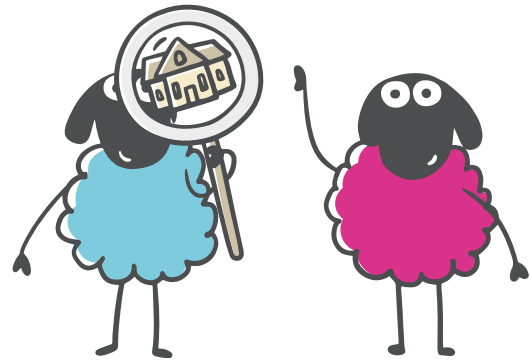
- 77. A long term tenant who pays on time and looks after the property is worth keeping, so you should be more flexible with such a tenant if they will struggle to pay an increase.
- 78. Conversely, **you might be happy to lose some tenants** and so be less flexible with them.
- 79. With housing benefit claimants, there is a big benefit in you having the **payments made direct to you by the Council**. If you push the rent above the tenant's LHA entitlement, you are likely to lose this facility — so only do so if you're confident that the tenant will pay you.



# Tenants Leaving

## Smoothing out the tenant leaving process..

- 80. Ask them **why they want to leave**. You might learn something that will help you to find or keep your new tenant.
- 81. If they want to leave because the rent is too high, consider reducing it, especially if you're already at or above market rent level. This might be **more cost effective than having a void** and the costs of any works required to re-let the property.
- 82. Ask them if they know anyone interested in moving in once they've left.
- 83. **Offer them an incentive** e.g. £50 if they find you the new tenant.
- 84. Inspect the property as soon as they give notice, compare with the move-in inspection, and **agree what works they will attend to or pay for** before they move out, so that the new tenant can move in immediately.



- 85. Ensure that any arrears and costs of works required, that the tenant is responsible for, are summarised and clearly explained to both the tenant and their guarantor.
- 86. If the tenant is unable to pay all such costs, **consider setting up a payment plan** by direct debit on the understanding that if this is breached, the guarantor will be pursued for the full amount.



# Financing Your Portfolio

## Section

# 9

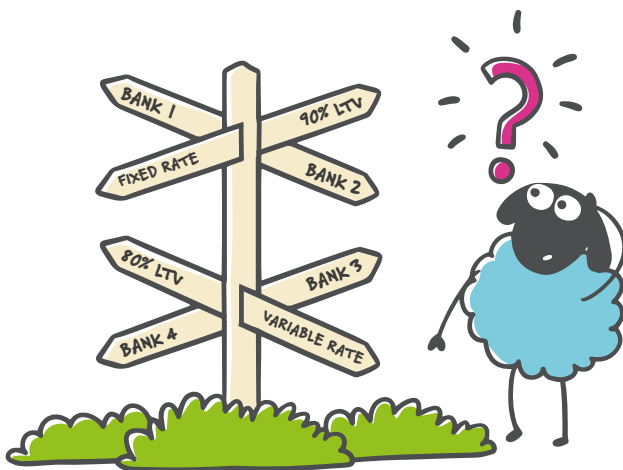
### Increasing your return....

87. **Check your finances.** Are your total borrowings optimum to help you reach your end goal? Have you recently reviewed the value of your properties to understand how much you could safely borrow in total?
88. Do you have **equity in a property that you could release to use as a deposit on another investment?** This could help you grow your portfolio more quickly.
89. Is your buy-to-let mortgage on appropriate terms? **A fixed rate and term may give certainty on repayments** and could be more suitable if you have no short-term plans to sell the property



90. A standard variable rate (SVR) mortgage may be more appropriate for you if you do intend to sell soon. **It could help avoid early redemption charges.**
91. Consult a **trusted mortgage broker to advise on all aspects of financing.** Ideally, choose one who has a wide panel of lenders, such as Mortgage Advice Bureau to find the very best deal for your circumstances.

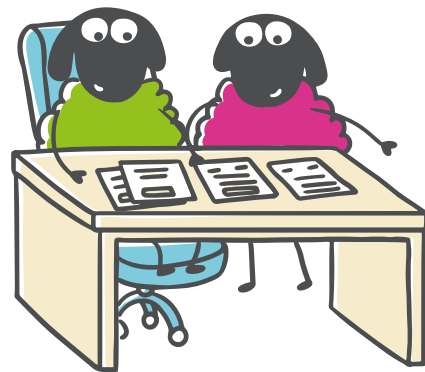
Visit [EweMove.com/Mortgages](https://www.ewemove.com/mortgages) to book a call with an expert Mortgage Advisor.



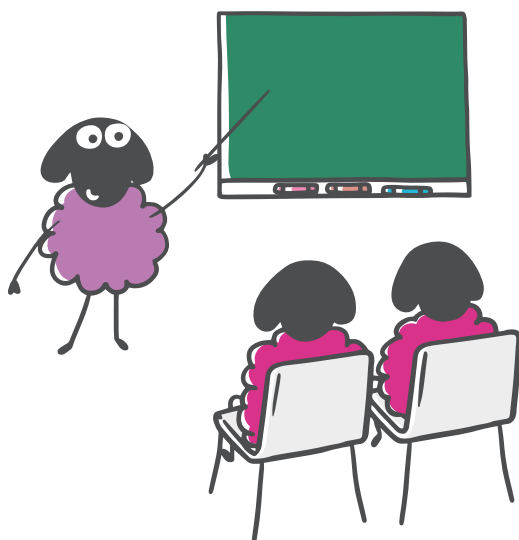
# Recording, Management & Planning

## Planning a strategy for your property...

- 92. Know your **yield on debt** and the effect that changes in interest rates will have on you and your portfolio.
- 93. Know how much you should be achieving each month, and compare your performance against this at least once each month.
- 94. Target where you want to be each year for the **next 5 years**.
- 95. **Create a strategy to achieve this.** Consider selling low-yielding properties now, changing your target let (e.g. letting to housing benefit claimants, converting to HMO, or adding an additional bedroom), adding an additional bedroom, or offering properties on a Rent To Buy basis.



- 96. Analyse your maintenance costs by property. Sometimes a high yielding property will have high maintenance costs and give a **false picture** as to the net return.
- 97. Review your performance and reset your targets regularly. Treat your property portfolio as a business, because that's what it is.
- 98. Consider self-management as well as using agents for tenant finding or full management. If you don't have the time or inclination to manage your properties yourself, employing a reputable management company may well **save you money**.
- 99. Don't risk an agent not paying you through dishonesty or inefficiency. Ensure your rents are protected within **a secure ARLA client account**.



For an informal chat or to book your FREE  
no-obligation appraisal or portfolio review

Call (24/7): 03333 44 11 99

Best National Lettings Agents  
6 years in a row!

